

1 license scheduled to expire on June 30, 2021^{1/} unless renewed. YLFI is licensed through
2 AVAKIAN's real estate broker ("REB") license, ID 01943973, and AVAKIAN is the designated
3 officer ("D.O."). YLFI has a mortgage loan originator license ("MLO") endorsement from the
4 Department, and is licensed through the Nationwide Multistate Licensing System & Registry
5 ("NMLS"), NMLS No. 1634412. According to Department records to date, YLFI employs three
6 (3) licensed real estate salespersons ("RES") and one broker associate. YLFI has no branch
7 offices. The fictitious business name "Heart of Lending" is currently active and licensed to YLFI
8 by the DRE.

9 4. Respondent AVAKIAN has been licensed by the Department as a REB from on or
10 about December 13, 2016, through the present, with AVAKIAN's license scheduled to expire on
11 December 12, 2024, unless renewed. AVAKIAN was previously licensed as a real estate
12 salesperson ("RES") from on or about January 13, 2014 to on or about December 12, 2016.
13 AVAKIAN has a MLO license endorsement from the Department, and is licensed through the
14 NMLS, NMLS No. 1094788.

15 5. Whenever reference is made in an allegation in this Accusation to an act or
16 omission of Respondent AVAKIAN, such allegation shall be deemed to mean that the officers,
17 directors, employees, agents and/or real estate licensees employed by or associated with
18 Respondents YLFI and AVAKIAN committed such act or omission while engaged in the
19 furtherance of the business or operations of such Respondents and while acting within the course
20 and scope of their authority and employment.

21 6. At all times mentioned herein, in Los Angeles County, California, Respondents
22 engaged in the performance of activities requiring a real estate license pursuant to Code section
23 10130, and acted and ordered, caused, authorized or participated in licensed activities within the
24 meaning of Code section 10131.

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28 ^{1/} YLFI's license was originally scheduled to expire on May 24, 2021, however pursuant to Governor Newsom's
Executive Order N-83-20, Paragraph 5, the timeframe for certain real estate license expirations, including YLFI, was
extended until June 30, 2021.

1 **FACTS DISCOVERED BY DRE**

2 7. On or about July 17, 2019, a DRE special investigator conducted a broker office
3 survey inspection of the books and records of YLFI and interviewed D.O. AVAKIAN.

4 **LOANS**

5 8. The Department's special investigator reviewed four loans originated under YLFI's
6 REC license and MLO endorsement, as follows.

7 Loan No. 1 – Saticoy Property

8 Borrower: E.G.^{2/}

9 Subject Property: 15433 Saticoy St., Van Nuys, CA ("the Saticoy Property")

10 Close of Escrow: 07/24/2018

11 9. Review of documents for Loan No. 1 revealed that YLFI did not provide the
12 borrower with a Mortgage Loan Disclosure Statement ("MLDS") or any other disclosure that
13 correctly disclosed to the borrower all broker compensation. The Loan Estimate ("LE") and the
14 Closing Disclosure ("CD") do not correspond with the final purchase advice from the loan
15 purchaser or the final broker check issued to YLFI. The CD, signed by the borrower on or about
16 July 9, 2018, indicates \$2,000 in Loan Origination costs, when in fact YLFI was paid \$15,683.58;
17 an amount that was never disclosed to the borrower.

18 10. The documents for Loan No. 1 contained a form titled "Mortgage Loan Origination
19 Agreement" that was signed by the borrower. In the form, YLFI states in part, "We are acting as
20 an independent contractor and not as your agent." The documents for Loan No. 1 contained a form
21 titled "California Finance Lender Disclosure." The form indicates the "Lender" is YLFI under
22 "Lender License Number 02037215." The form asks, "Broker Acts: Has any person performed
23 any act as broker in connection with the making of the loan?" with a box marked "No"
24 immediately following the question. The form also provides a section for "all sums paid/payable
25 to broker" with a section titled "Total Broker Fees" and the dollar section immediately following
26 which is left blank with no amount." YLFI is not now and has never been licensed by the
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28 ^{2/} Initials are used in place of individuals' full names to protect their privacy. Documents containing individuals' full names will be provided during the discovery phase of this case to Respondent and/or her attorney(s), after service of a timely and proper request for discovery on Complainant's counsel.

1 California Department of Business Oversight (“DBO”)³ as a Finance Lender. Furthermore, YLFI
2 indicates that the license number is YLFI’s DRE license number. YLFI misrepresented its
3 capacity as a broker and failed to disclose the total fee received by the broker of \$15,683.58.

4 11. Loan No. 1 was underwritten, approved, and funded by First Funding via YLFI’s
5 warehouse line of credit, however, the Deed of Trust is in the name of YLFI as the
6 Lender/Beneficiary. AVAKIAN confirmed that YLFI prepared the Deed of Trust using the
7 DocMagic loan software.

8 12. Loan No. 1 did not contain an MLDS personally signed by the borrower and the
9 broker, or in lieu of the MLDS, did not contain an appropriate LE Addendum.

10 13. The Fair Lending Notice contained in the file for Loan No. 1 does not include the
11 contact information for the DRE. The regulator contact section of the form was left blank.

12 Loan No. 2 – Castle Property

13 Borrower: A.T.

14 Subject Property: 4812 Castle Rd., La Cañada Flintridge, CA (“the Castle Property”)

15 Close of Escrow: 08/08/2018

16 14. Review of documents for Loan No. 2 revealed a two-page form signed by the
17 borrower titled “California Financing Law Statement of Loan,” which indicated that YLFI is
18 making the loan pursuant to the California Financing Law and falsely stating that YLFI is licensed
19 by the DBO. Loan No. 2 also did not contain an MLDS personally signed by the borrower and
20 broker, or in lieu of an MLDS, an appropriate LE Addendum.

21 Loan No. 3 – Vose Property

22 Borrower: A.Z.

23 Subject Property: 18951 Vose St., Reseda, CA (“the Vose Property”)

24 Close of Escrow: 06/20/2019

25 15. Review of documents for Loan No. 3 revealed a two-page form signed by the
26 borrower titled “California Financing Law Statement of Loan,” which indicated that YLFI is

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28 ^{3/} Effective September 29, 2020, the DBO changed its name to the Department of Financial Protection and Innovation (DFPI). DRE’s investigation was conducted prior to the date of the name change, and this Accusation will refer to the DFPI as the DBO.

1 making the loan pursuant to the California Financing Law and falsely stating that YLFI is licensed
2 by the DBO. YLFI did not provide the borrower of Loan No. 3 with an MLDS or any other
3 disclosure that correctly disclosed all broker compensation. The LE and the CD do not correspond
4 with the final purchase advice from the loan purchaser or the final broker check issued to YLFI.
5 The CD, signed by the borrower on May 20, 2019, indicated \$2,250 in Loan Origination costs. A
6 subsequent CD, signed by the borrower on June 11, 2019, indicates \$2,000 in Loan Origination
7 costs, when in fact YLFI was paid \$17,101.16, an amount never disclosed to the borrower.

8 16. The documents for Loan No. 3 contained a form titled "Mortgage Loan Origination
9 Agreement" signed by the borrower. In the form, YLFI states in part, "We are acting as an
10 independent contractor and not as your agent."

11 17. Loan No. 3 was underwritten, approved, and funded by First Funding via YLFI's
12 warehouse line of credit, however, the Deed of Trust is in the name of YLFI as the
13 Lender/Beneficiary. AVAKIAN confirmed that YLFI prepared the Deed of Trust using the
14 DocMagic loan software.

15 18. Loan No. 3 did not contain an MLDS personally signed by the borrower and the
16 broker, or in lieu of the MLDS, did not contain an appropriate LE Addendum.

17 Loan No. 4 – Dunsmore Property

18 Borrower: V.Y.

19 Subject Property: 4313 Dunsmore Ave., Glendale, CA ("the Dunsmore Property")

20 Close of Escrow: 07/10/2019

21 19. Review of documents for Loan No. 4 revealed a two-page form signed by the
22 borrower titled "California Financing Law Statement of Loan," which indicated that YLFI is
23 making the loan pursuant to the California Financing Law and falsely stating that YLFI is licensed
24 by the DBO. YLFI did not provide the borrower of Loan No. 4 with an MLDS or any other
25 disclosure that correctly disclosed all broker compensation. The LE and the CD do not correspond
26 with the final broker check from the loan purchaser. The CD, signed by the borrower on July 3,
27 2019, indicates \$1,500 in Loan Origination costs, when in fact YLFI was paid \$8,078.42, an
28 amount never disclosed to the borrower.

1 20. The documents for Loan No. 3 contained a form titled "Mortgage Loan Origination
2 Agreement" signed by the borrower. In the form, YLFI states in part, "We are acting as an
3 independent contractor and not as your agent."

4 21. Loan No. 4 was underwritten, approved, and funded by First Funding via YLFI's
5 warehouse line of credit, however, the Deed of Trust is in the name of YLFI as the
6 Lender/Beneficiary. AVAKIAN confirmed that YLFI prepared the Deed of Trust using the
7 DocMagic loan software.

8 22. Loan No. 4 did not contain an MLDS personally signed by the borrower and the
9 broker, or in lieu of the MLDS, did not contain an appropriate LE Addendum.

10 **WEBSITE WITHOUT DRE LICENSE NUMBER OR NMLS NUMBER**

11 23. YLFI maintained a website under the fictitious business name, "Heart of Lending,"
12 at www.heartoflending.com, which advertised loans. This website did not disclose in the printed
13 text: YLFI's REC ID number, YLFI's NMLS ID number, or the required statement, "Real Estate
14 Broker, California Department of Real Estate."

15 **LACK OF BROKER-SALESPERSON AGREEMENTS**

16 24. The loan application for Loan No. 1 indicated that the loan originator was Sagris
17 Galstyan ("Galstyan"), a REB (license ID 01879476). AVAKIAN confirmed that Galstyan was a
18 broker associate for YLFI, however, AVAKIAN was unable to produce a broker-salesperson
19 agreement for Galstyan as one did not exist.

20 25. AVAKIAN also confirmed that YLFI did not maintain a broker-salesperson
21 agreement with salesperson Anita Grigorian ("Grigorian"), (license ID 02069703). Grigorian
22 confirmed that she did not have a broker-salesperson agreement with YLFI. AVAKIAN was
23 unable to produce a broker-salesperson agreement for Grigorian as one did not exist.

24 **VIOLATIONS OF THE REAL ESTATE LAW – CAUSES FOR DISCIPLINE**

25 26. In the course of the activities described above in Paragraph 6, and based on the
26 facts discovered by the DRE, as described in Paragraphs 7 through 25 above, Respondents acted in
27 violation of the Code and Regulations as follows.

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1 FIRST CAUSE OF ACCUSATION

2 27. The Complainant realleges and incorporates by reference all of the allegations in
3 paragraphs 1 through 26 above, with the same force and effect as though fully set forth herein.

4 28. Respondents' acts and/or omissions in failing to provide documents that correctly
5 disclosed to the borrower all broker compensation related to the loan transactions for the Saticoy,
6 Vose, and Dunsmore properties, as described above in paragraphs 9, 15, and 19, are in violation of
7 **Code sections 10166.05(c), 10166.051(b), 10176(g) and 10240**, and constitute cause to suspend
8 or revoke the real estate licenses and license rights of Respondents YLFI and AVAKIAN pursuant
9 to **Code sections 10176(g), and 10177(d) and/or 10177(g)**.

10 29. Respondents' acts and/or omissions in violation of **Code sections 10166.05(c) and**
11 **10166.051(b)** constitute cause for the suspension or revocation of the MLO license endorsements
12 of Respondents YLFI and AVAKIAN pursuant to **Code section 10166.051(b)** by establishing
13 Respondents' failure to demonstrate such financial responsibility, character and general fitness as
14 to command the confidence of the community and to warrant a determination that as mortgage
15 loan originators Respondents will operate honestly, fairly, and efficiently within the purposes of
16 Article 2.1 of the Real Estate Law.

17 SECOND CAUSE OF ACCUSATION

18 30. The Complainant realleges and incorporates by reference all of the allegations in
19 paragraphs 1 through 29 above, with the same force and effect as though fully set forth herein.

20 31. Respondents' acts and/or omissions in failing to provide an MLDS personally
21 signed by the borrower and broker, or in lieu of an MLDS, an appropriate LE Addendum, related
22 to the loan transactions for the Saticoy, Castle, Vose, and Dunsmore properties, as described
23 above in paragraphs 12, 14, 18, and 22, are in violation of **Code sections 10166.05(c),**
24 **10166.051(b), and 10240**, and constitute cause to suspend or revoke the real estate licenses and
25 license rights of Respondents YLFI and AVAKIAN pursuant to **Code sections 10177(d) and/or**
26 **10177(g)**.

27 32. Respondents' acts and/or omissions in violation of **Code sections 10166.05(c) and**
28 **10166.051(b)** constitute cause for the suspension or revocation of the MLO license endorsements

1 of Respondents YLFI and AVAKIAN pursuant to **Code section 10166.051(b)** by establishing
2 Respondents' failure to demonstrate such financial responsibility, character and general fitness as
3 to command the confidence of the community and to warrant a determination that as mortgage
4 loan originators Respondents will operate honestly, fairly, and efficiently within the purposes of
5 Article 2.1 of the Real Estate Law.

6 THIRD CAUSE OF ACCUSATION

7 33. The Complainant realleges and incorporates by reference all of the allegations in
8 paragraphs 1 through 32 above, with the same force and effect as though fully set forth herein.

9 34. Respondents' acts and/or omissions in providing a form titled "Mortgage Loan
10 Origination Agreement," signed by the borrower, in which YLFI stated, "We are acting as an
11 independent contractor and not as your agent," related to the loan transactions for the Saticoy,
12 Vose, and Dunsmore properties, as described above in paragraphs 10, 16, and 20, are in violation
13 of **Code sections 10166.05(c), 10166.051(b), 10177(q), and Civil Code section 2923.1**, and
14 constitute cause to suspend or revoke the real estate licenses and license rights of Respondents
15 YLFI and AVAKIAN pursuant to **Code sections 10177(q), and 10177(d) and/or 10177(g)**.

16 35. Respondents' acts and/or omissions in violation of **Code sections 10166.05(c) and**
17 **10166.051(b)** constitute cause for the suspension or revocation of the MLO license endorsements
18 of Respondents YLFI and AVAKIAN pursuant to **Code section 10166.051(b)** by establishing
19 Respondents' failure to demonstrate such financial responsibility, character and general fitness as
20 to command the confidence of the community and to warrant a determination that as mortgage
21 loan originators Respondents will operate honestly, fairly, and efficiently within the purposes of
22 Article 2.1 of the Real Estate Law.

23 FOURTH CAUSE OF ACCUSATION

24 36. The Complainant realleges and incorporates by reference all of the allegations in
25 paragraphs 1 through 35 above, with the same force and effect as though fully set forth herein.

26 37. Respondents' acts and/or omissions in misrepresenting YLFI as having a lender
27 license, misrepresenting YLFI's capacity as a broker, and its failure to disclose the total fee
28 received by the broker, related to the loan transactions for the Saticoy, Castle, Vose, and

1 Dunsmore properties, as described above in paragraphs 10, 14, 15, and 19, are in violation of
2 **Code sections 10166.05(c), 10166.051(b), and 10176(a)**, and constitute cause to suspend or
3 revoke the real estate licenses and license rights of Respondents YLFI and AVAKIAN pursuant to
4 **Code sections 10176(a), and 10177(d) and/or 10177(g)**.

5 38. Respondents' acts and/or omissions in violation of **Code sections 10166.05(c) and**
6 **10166.051(b)** constitute cause for the suspension or revocation of the MLO license endorsements
7 of Respondents YLFI and AVAKIAN pursuant to **Code section 10166.051(b)** by establishing
8 Respondents' failure to demonstrate such financial responsibility, character and general fitness as
9 to command the confidence of the community and to warrant a determination that as mortgage
10 loan originators Respondents will operate honestly, fairly, and efficiently within the purposes of
11 Article 2.1 of the Real Estate Law.

12 FIFTH CAUSE OF ACCUSATION

13 39. The Complainant realleges and incorporates by reference all of the allegations in
14 paragraphs 1 through 38 above, with the same force and effect as though fully set forth herein.

15 40. Respondents' acts and/or omissions in naming YLFI as the Lender/Beneficiary in
16 the Deed of Trust for the Saticoy, Vose, and Dunsmore properties, as described above in
17 paragraphs 11, 17, and 21, are in violation of **Code sections 10166.05(c), 10166.051(b), and**
18 **10234**, and constitute cause to suspend or revoke the real estate licenses and license rights of
19 Respondents YLFI and AVAKIAN pursuant to **Code sections 10177(d) and/or 10177(g)**.

20 41. Respondents' acts and/or omissions in violation of **Code sections 10166.05(c) and**
21 **10166.051(b)** constitute cause for the suspension or revocation of the MLO license endorsements
22 of Respondents YLFI and AVAKIAN pursuant to **Code section 10166.051(b)** by establishing
23 Respondents' failure to demonstrate such financial responsibility, character and general fitness as
24 to command the confidence of the community and to warrant a determination that as mortgage
25 loan originators Respondents will operate honestly, fairly, and efficiently within the purposes of
26 Article 2.1 of the Real Estate Law.

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1 SIXTH CAUSE OF ACCUSATION

2 42. The Complainant realleges and incorporates by reference all of the allegations in
3 paragraphs 1 through 41 above, with the same force and effect as though fully set forth herein.

4 43. Respondents' acts and/or omissions in maintaining a website under YLFI's
5 fictitious business name, "Heart of Lending," at www.heartoflending.com, soliciting borrowers, in
6 which Respondents failed to disclose YLFI's REC ID number, YLFI's NMLS ID number, or the
7 required statement, "Real Estate Broker, California Department of Real Estate," are in violation of
8 **Code sections 10235.5 and 10236.4, and Regulations 2773(a) and 2847.3**, and constitute cause
9 to suspend or revoke the real estate licenses and license rights of Respondents YLFI and
10 AVAKIAN pursuant to **Code sections 10177(d) and/or 10177(g)**.

11 SEVENTH CAUSE OF ACCUSATION

12 44. The Complainant realleges and incorporates by reference all of the allegations in
13 paragraphs 1 through 43 above, with the same force and effect as though fully set forth herein.

14 45. Respondents' acts and/or omissions in failing to have broker-salesperson
15 agreements between YLFI and Galstyan and YLFI and Grigorian, as alleged above in paragraphs
16 24 and 25, are in violation of **Regulation 2726**, and constitute cause to suspend or revoke the real
17 estate licenses and license rights of Respondents YLFI and AVAKIAN pursuant to **Code sections**
18 **10177(d) and/or 10177(g)**.

19 EIGHTH CAUSE OF ACCUSATION

20 46. The Complainant realleges and incorporates by reference all of the allegations in
21 paragraphs 1 through 45 above, with the same force and effect as though fully set forth herein.

22 47. Respondents' acts and/or omissions in providing a Fair Lending Notice that did not
23 include the contact information for the DRE and left blank the regulator contact section of the
24 form, related to the loan transactions for the Saticoy property, as alleged above in paragraph 13,
25 are in violation of **Health and Safety Code section 35830**, and constitute cause to suspend or
26 revoke the real estate licenses and license rights of Respondents YLFI and AVAKIAN pursuant to
27 **Code sections 10177(m) and 10177(g)**.

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1 NINTH CAUSE OF ACCUSATION

2 48. The Complainant realleges and incorporates by reference all of the allegations in
3 paragraphs 1 through 47 above, with the same force and effect as though fully set forth herein.

4 49. AVAKIAN's acts and/or omissions, as alleged above in paragraphs 1 through 47,
5 and in the First through Seventh Causes of Accusation, demonstrate:

6 a. AVAKIAN failed to adequately supervise and control YLFI's real estate
7 activities conducted by YLFI's salespersons and employees; and

8 b. AVAKIAN failed to establish policies, rules, procedures, and systems to
9 review, oversee, inspect, and manage transactions requiring a real estate license.

10 50. AVAKIAN's acts and/or omissions, as alleged above in paragraphs 47(a) and (b)
11 are in violation of **Code sections 10159.2 and 10177(h), and Regulation 2725**, and constitute
12 cause to suspend or revoke the real estate licenses and license rights of AVAKIAN pursuant to
13 **Code sections 10177(h), and 10177(d) and/or 10177(g).**

14 COSTS

15 (COSTS OF INVESTIGATION AND ENFORCEMENT)

16 51. Code section 10106, provides, in pertinent part, that in any order issued in
17 resolution of a disciplinary proceeding before the Department of Real Estate, the Commissioner
18 may request the administrative law judge to direct a licensee found to have committed a violation
19 of this part to pay a sum not to exceed the reasonable costs of the investigation and enforcement of
20 the case.

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WHEREFORE, Complainant prays that a hearing be conducted on the allegations of this Accusation and that upon proof thereof, a decision be rendered imposing disciplinary action against all the licenses, license rights, and mortgage loan originator endorsements of Respondents YOUR LEGACY FINANCIAL, INC. and SHOOSHIG SUSAN AVAKIAN under the Real Estate Law, for the costs of investigation and enforcement as permitted by law, and for such other and further relief as may be proper under other applicable provisions of law.

Dated at Sacramento, California this 22nd day of April, 2021.



Luke Martin
Supervising Special Investigator

cc: YOUR LEGACY FINANCIAL, INC.
SHOOSHIG SUSAN AVAKIAN
Luke Martin
Sacto.